

COUNTY OF YUBA
SINGLE AUDIT REPORT
JUNE 30, 2008

COUNTY OF YUBA

Single Audit Report
For the Year Ended June 30, 2008

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COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Disbursements/ Expenditures |
|---|---------------------------|-------------------------------------|--------------------------------|
| <u>U. S. Department of Health & Human Services (continued)</u> | | | |
| Passed through State Department of Social Services (continued): | | | |
| Adoption Assistance IV-E | 93.659 * | -- | \$ 17,185 |
| Adoption Assistance | 93.659 * | -- | 1,246,769 |
| Nonrecurring Adoption Expense | 93.659 * | -- | 2,935 |
| Adoption County Counsel | 93.659 * | -- | 1,261 |
| Subtotal CFDA 93.659 | | | <u>1,268,150</u> |
| Promoting Safe and Stable Families | 93.556 | -- | 72,680 |
| Refugee Cash Assist | 93.566 | -- | 340 |
| Child Welfare Services IV-B | 93.645 | -- | 71,118 |
| CCL/FFH | 93.667 | -- | 87,044 |
| Independent Living Program | 93.674 | -- | 79,005 |
| Subtotal | | | <u>310,187</u> |
| Subtotal State Department of Social Services | | | <u>23,198,892</u> |
| Passed through the State Department of Child Support Services | | | |
| Child Support Enforcement | 93.563 | -- | <u>2,537,079</u> |
| Passed through the State Department Community Services and Development: | | | |
| Community Services Block Grant - 4C | 93.569 | 06F-4750 | 118,322 |
| Community Services Block Grant - 5C | 93.569 | 06F-4755 | 93,841 |
| Community Services Block Grant | 93.569 | 08F-4948 | 82,415 |
| Community Services Block Grant | 93.569 | 08F-4953 | 74,069 |
| Subtotal State Department of Community Services and Development and CFDA 93.569 | | | <u>368,647</u> |
| Total U.S. Department of Health & Human Services | | | <u>\$ 28,965,665</u> |
| <u>U.S. Department of Homeland Security</u> | | | |
| Passed through Governor's Office of Homeland Security: | | | |
| FY 06 Emergency Management Performance Grant | 97.042 | 2006-71 | 57,518 |
| FY 07 Emergency Management Performance Grant | 97.042 | 2007-8 | 58,069 |
| Subtotal CFDA 97.042 | | | <u>115,587</u> |

* Major Program



BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the Board of Supervisors
of County of Yuba
Marysville, California

We have audited the accompanying financial statements of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yuba, California, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 6, 2009. A qualified opinion was issued based upon the omission of a large component unit. The opinion on infrastructure and related depreciation was also disclaimed. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Yuba's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Yuba's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Yuba's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statement is more than inconsequential will not be prevented or detected by the entity's

To the Honorable Members of the Board of Supervisors
of County of Yuba

internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings items 07-FS-1, 07-FS-2, 07-FS-3, 07-FS-4, 08-FS-1, 08-FS-2, 08-FS-3, and 08-FS-4 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider items 07-FS-1, 07-FS-2, 07-FS-3, 07-FS-4, 08-FS-1, 08-FS-3, and 08-FS-4 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Yuba's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of County of Yuba in a separate letter dated February 6, 2009.

County of Yuba's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County of Yuba's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP
A GALLINA LLP Company

Bartig Basler & Ray, LLP

Roseville, California
February 6, 2009



BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Members of the Board of Supervisors
of County of Yuba
Marysville, California

Compliance

We have audited the compliance of the County of Yuba, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County of Yuba's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Yuba's management. Our responsibility is to express an opinion on the County of Yuba's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Yuba's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Yuba's compliance with those requirements.

As described in item 08-SA-3, in the accompanying schedule of findings and questioned costs and 07-SA-2 of the summary schedule of prior audit findings, the County of Yuba did not comply with requirements regarding eligibility that are applicable to it's the Medical Assistance Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

To the Honorable Members of the Board of Supervisors
of County of Yuba

In our opinion, except for the noncompliance described in the preceding paragraph, County of Yuba complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. The results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-SA-2 and 08-SA-3.

Internal Control Over Compliance

The management of the County of Yuba is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-SA-1, 08-SA-2, 08-SA-3, and 08-SA-4 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 08-SA-2 and 08-SA-3 to be material weaknesses.

To the Honorable Members of the Board of Supervisors
of County of Yuba

The County of Yuba's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the accompanying financial statements of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yuba, California, as of and for the year ended June 30, 2008, and have issued our report thereon dated February 6, 2009. A qualified opinion was issued based upon the omission of a large component unit. The opinion on infrastructure and related depreciation was also disclaimed. The County of Yuba basic financial statements include the operations of its component unit, Yuba County Housing Authority. Our audit, described below, did not include the operations of Yuba County Housing Authority because this component unit engaged auditors to perform a separate audit in accordance with OMB Circular A-133. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Supplementary Schedules of Grant Revenues and Expenditures, beginning on page 45 have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP
A Gallina LLP Company

Bartig, Basler & Ray, LLP

Roseville, California
February 6, 2009

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Disbursements/ Expenditures |
|---|---------------------------|-------------------------------------|--------------------------------|
| <u>U. S. Department of Agriculture</u> | | | |
| Direct Program: | | | |
| Cooperative Law Enforcement Program | 10.664 | 02-LE11051360088 | \$ 9,940 |
| Passed through State Department of Social Services: | | | |
| Food Stamps | 10.551 | -- | 11,579,157 |
| Food Stamps - Administration | 10.561 | -- | 926,039 |
| Subtotal State Department of Social Services | | | 12,505,196 |
| Total U.S. Department of Agriculture | | | \$ 12,515,136 |
| <u>U. S. Department of Housing and Urban Development</u> | | | |
| Passed through State Department of Housing and Community Development: | | | |
| Community Development Block Grant | 14.228 * | 06-EDBG-2770 | 24,892 |
| Community Development Block Grant | 14.228 * | 05-PTAA-1721 | 25,000 |
| Community Development Block Grant | 14.228 * | 04-STBG-1947 | 356,032 |
| Community Development Block Grant | 14.228 * | 04-PTAA-0342 | 7,698 |
| Subtotal CFDA 14.228 | | | 413,622 |
| HOME Investment Partnerships Program | 14.239 * | 04-HOME-0770 | 693,567 |
| Total U.S. Department of Housing & Urban Development | | | \$ 1,107,189 |
| <u>U. S. Department of Justice</u> | | | |
| Direct Programs: | | | |
| 2007 Domestic Cannabis Eradication Program | 16.000 | 2007-54 | 15,000 |
| State Criminal Alien Assistance Program | 16.606 | 2008-F2663-CA-AP | 42,270 |
| Justice Assistance Grant | 16.738 | DC06190580 | 8,480 |
| Subtotal Direct | | | 65,750 |
| Passed through State Office of Emergency Services: | | | |
| Child Abuse Treatment & Advocacy | 16.575 | AT06030580 | 37,656 |
| Child Abuse Treatment & Advocacy | 16.575 | AT07040580 | 89,919 |
| Victims/Witness Assistance Program | 16.575 | VW07210580 | 52,203 |

* Major Program

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Grantor's Number</u> | <u>Disbursements/ Expenditures</u> |
|--|------------------------------------|--|--|
| <u>U. S. Department of Justice (continued)</u> | | | |
| Passed through State Office of Emergency Services (continued): | | | |
| Special Emphasis Victim Program | 16.575 | SE07170580 | \$ 109,665 |
| Elder Abuse and Advocacy Program | 16.575 | EA07100580 | 28,557 |
| Subtotal CFDA 16.575 | | | <u>318,000</u> |
| Yuba County Drug Impact Program | 16.738 | DC07200580 | <u>135,558</u> |
| Subtotal State Office of Emergency Services | | | <u>453,558</u> |
| Total U.S. Department of Justice | | | <u>\$ 519,308</u> |
| <u>U. S. Department of Transportation</u> | | | |
| Passed through State Department of Transportation: | | | |
| Highway Bridge Program | 20.205 | HPLUL-5916(072) | 7,437 |
| Highway Bridge Program | 20.205 | HSIPL-5916(059) | 3,314 |
| Highway Bridge Program | 20.205 | HRRRL-5916(073) | 16,689 |
| Highway Bridge Program | 20.205 | BPMP-5916(064) | 382 |
| Highway Bridge Program | 20.205 | BRLO-5916(014) | 21,573 |
| Highway Bridge Program | 20.205 | BRLS-5916(029) | 59,858 |
| Hazard Elimination Safety | 20.205 | STPLH-5916(101) | 2,039 |
| Regional Surface Transportation Program | 20.205 | STPL-5916(067) | 734,277 |
| Regional Surface Transportation Program | 20.205 | STPL-5916(070) | 330,755 |
| Regional Surface Transportation Program | 20.205 | STPL-5916(068) | 505,976 |
| Subtotal CFDA 20.205 | | | <u>1,682,300</u> |
| Community Highway Safety Grant | 20.600 | TR0801 54664 | 28,509 |
| Enforcing Underage Drinking Law | 20.600 | AP29557803213 | 4,761 |
| Subtotal CFDA 20.600 | | | <u>33,270</u> |

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Disbursements/ Expenditures |
|--|---------------------------|-------------------------------------|--------------------------------|
| <u>U. S. Department of Transportation (continued)</u> | | | |
| Passed through State Department of Transportation (continued): | | | |
| Hazardous Materials Emergency Preparedness Grant | 20.703 | 7033-150 | \$ 11,116 |
| Total U.S. Department of Transportation | | | <u>\$ 1,726,686</u> |
| <u>U. S. Department of Health & Human Services</u> | | | |
| Passed through State Department of Health Services: | | | |
| California Children's Services | 93.778 * | -- | 111,432 |
| Medical Assistant Program | 93.778 * | -- | 1,843,197 |
| Child Health and Disability Program | 93.778 * | -- | 40,962 |
| Medical Assistant Program - Foster Care | 93.778 * | -- | 38,814 |
| Medical Assistant Program - Adult Protective Services | 93.778 * | -- | 58,541 |
| Medical Assistant Program - CWS IV-E | 93.778 * | -- | 356,742 |
| Medical Assistant Program - In Home Supportive Services | 93.778 * | -- | 274,290 |
| Subtotal State Department of Health Services | | | <u>2,723,978</u> |
| Passed through State Department of Aging: | | | |
| Multi-Senior Services Program (MSSP) | 93.778 * | -- | <u>137,069</u> |
| Passed through State Department of Social Services: | | | |
| Temporary Assistance for Needy Families - CalWorks | 93.558 * | -- | 8,729,145 |
| Child Welfare Services (TANF) | 93.558 * | -- | 334,079 |
| Temporary Assistance for Needy Families - Assistance | 93.558 * | -- | 9,620,322 |
| Kin Gap Assistance | 93.558 * | -- | 50,315 |
| Subtotal CFDA 93.558 | | | <u>18,733,861</u> |
| Foster Care CWS IV-E | 93.658 * | -- | 1,754,621 |
| Foster Care | 93.658 * | -- | 68,590 |
| Foster Family Home Licensing | 93.658 * | -- | 21,145 |
| Foster Parents AB2129 | 93.658 * | -- | 6,471 |
| Group Home Monthly Visits & Probation | 93.658 * | -- | 17,182 |
| Foster Care - Emergency Fund | 93.658 * | -- | 1,899 |
| Foster Care Assistance | 93.658 * | -- | 991,560 |
| Foster Care - SACWIS | 93.658 * | -- | 25,226 |
| Subtotal CFDA 93.658 | | | <u>2,886,694</u> |

* Major Program

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Grantor's Number</u> | <u>Disbursements/ Expenditures</u> |
|--|------------------------------------|--|--|
| <u>U.S. Department of Homeland Security (continued)</u> | | | |
| Passed through Governor's Office of Homeland Security (continued): | | | |
| FY 06 Homeland Security Grant Program | 97.073 | 2006-71 | \$ 37,778 |
| FY 07 Homeland Security Grant Program | 97.073 | 2007-8 | 115,527 |
| Subtotal CFDA 97.073 | | | <u>153,305</u> |
| FY 06 Homeland Security Grant Program | 97.074 | 2006-71 | 80,859 |
| FY 07 Homeland Security Grant Program | 97.074 | 2007-8 | 67,101 |
| Subtotal CFDA 97.074 | | | <u>147,960</u> |
| FY 06 Buffer Zone Protection Program | 97.078 | 2006- 45 | <u>154,646</u> |
| Total U.S. Department of Homeland Security | | | <u>\$ 571,498</u> |
| Total Expenditures of Federal Awards, Excluding Loans | | | <u>\$ 45,405,482</u> |

Federal Loan Balances With a Continuing Compliance Requirement

U.S. Department of Housing and Urban Development

Passed through State Department of Housing and Community
Development:

| | | | |
|--|----------|---|----------------------|
| Community Development Block Grants/States Program | 14.228 * | - | \$ 3,386,672 |
| Federal Loan Balances with a Continuing Compliance Requirement | | | <u>3,386,672</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 48,792,154</u> |

COUNTY OF YUBA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Yuba. The County of Yuba's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

| Federal CFDA# | Program | Amount |
|------------------|-------------------------------------|--------------|
| 14.228 | Community Development Block Grant | \$ 1,082,297 |
| 93.569 | Community Services Block Grant - 4C | 164,455 |
| 93.569 | Community Services Block Grant - 5C | 157,957 |

COUNTY OF YUBA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Note 5: Loans with Continuing Compliance Requirement

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2008 as follows:

| Federal CFDA# | Program Title | <u>Amount Outstanding</u> | |
|------------------|--|---------------------------|----------------------|
| | | <u>July 1, 2007</u> | <u>June 30, 2008</u> |
| 14.228 | Community Development Block Grant/State's Program | <u>\$ 3,386,672</u> | <u>\$ 4,626,741</u> |

Note 6: Program Clusters

Federal programs, which must be audited together as a program cluster, include the following:

| Federal CFDA# | Program Title | Federal Expenditures |
|------------------|---------------|-------------------------|
|------------------|---------------|-------------------------|

Food Stamp Cluster:

| | | |
|--------|--|----------------------|
| 10.551 | Food Stamps | \$ 11,579,157 |
| 10.561 | State Administrative Matching Grants for Food Stamp Program | <u>926,039</u> |
| | Total | <u>\$ 12,505,196</u> |

Homeland Security Cluster

| | | |
|--------|--|-------------------|
| 97.073 | Homeland Security Grant Program | \$ 153,305 |
| 97.074 | Law Enforcement Terrorism Prevention Program | <u>147,960</u> |
| | Total | <u>\$ 301,265</u> |

Note 7: Pass-Through Entities' Identifying Number

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

COUNTY OF YUBA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Note 8: **Total Federal Awards Expended by CFDA Number**

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards presents totals of all programs under one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

| <u>CFDA No.</u> | <u>Total Federal Expenditures</u> |
|-----------------|-----------------------------------|
| 93.778 | \$2,861,047 |

Note 9: **Department of Aging Federal/State Share**

During the fiscal year ended June 30, 2008, the County expended the following amounts under grants which pass through the California Department of Aging:

| <u>CFDA</u> | <u>Federal Expenditures</u> | <u>State Expenditures</u> |
|-------------|-----------------------------|---------------------------|
| 93.778 | \$137,069 | \$137,069 |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|--|------------|
| 1. Type of auditor's report issued: | Qualified |
| Opinion on infrastructure and related depreciation | Disclaimed |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiency identified not considered to be material weaknesses? | Yes |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiency identified not considered to be material weaknesses? | Yes |
| 2. Type of auditor's report issued on compliance for major programs: | |
| Medical Assistance Program | Qualified |
| All Other Major Programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

| | |
|--------|---|
| 14.228 | Community Development Block Grant |
| 14.239 | HOME Investment Partnerships Programs |
| 93.558 | Temporary Assistance for Needy Families |
| 93.658 | Foster Care Title IV-E |
| 93.659 | Adoption Assistance Program |
| 93.778 | Medical Assistance Program |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

Section 1 (continued)

- | | |
|---|--------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 1,463,765 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No |

Section 2

Financial Statement Findings

07-FS-1 – Trust Funds
07-FS-2 – Construction in Process
07-FS-3 – Infrastructure Accounting and Depreciation
07-FS-4 – Financial Reporting Competencies
08-FS-1 – Accounting for Capital Leases
08-FS-2 – Escrow Accounts Outside Treasury
08-FS-3 – Capital Contributions
08-FS-4 – Receivables

Section 3

Federal Award Findings and Questioned Costs

| | |
|-------------|-----------------|
| CFDA 14.228 | Finding 08-SA-1 |
| CFDA 93.558 | Finding 08-SA-2 |
| CFDA 93.778 | Finding 08-SA-3 |
| CFDA 14.228 | Finding 08-SA-4 |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|--|---|
| Finding 08-SA-1 | <i>Federal Grantor: U.S. Department of Housing and Urban Development</i> |
| Community Development Block Grant/States Program CFDA 14.228 | <i>Pass-Through Entity: State Department of Housing and Community Development</i> |
| | <i>Compliance Requirement: Allowable Costs/Activities</i> |
| | <i>Reporting Requirement: Significant Deficiency</i> |

Award Nos. N/A
Year: 07/08

Criteria

One of the allowable activities for the CDBG program is "assistance to private, for-profit businesses, when appropriate to carry out an economic development project." The economic development portion of the County's CDBG program is run by a separate division which is based at the Airport. The economic development program receives program income from the loans it makes. Allowable activities for this division of the County of Yuba's CDBG program consist of the economic development projects and related costs.

Condition

During the audit, expenditures from both grant monies and program income were judgmentally selected for testing. An expenditure of \$7,493 incurred for the airport portion of an educational exhibit and an expenditure of \$2,883 for airport security were tested. Both these expenditures came from the program income fund. The expenditures appeared to be related to the airport. Upon inquiry the County determined that the costs were not allowable under the economic development CDBG program. Just after the audit, the County reimbursed the CDBG program income fund the amount of \$10,376.

Questioned Costs

No costs are questioned because the County has already paid the money back to the program income account.

Perspective

We do not believe the exceptions noted here could be extrapolated to the population. Because the low number of expenditures, we were able to review the general ledger and found no further expenditures which suggested they should be tested. Therefore, we believe it unlikely that further, material exceptions exist.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|------------------------|--|
| Finding 08-SA-1 | <u>Effect of Condition</u> |
| CFDA 14.228 | When the County does not properly review for allowability of each expenditure, unallowable costs might be paid from grant funds and program income. |
| | <u>Recommendation</u> |
| | We recommend that the County thoroughly consider the CDBG guidance on allowable expenditures prior to approving expenditures. With the exception of expenditures of a minimal amount and program loans (approved by the loan committee), we further recommend that the signatures of two staff members, who are knowledgeable of the CDBG regulations, be required to approve expenditures. |
| | <u>Corrective Action Plan</u> |
| | The Audit Report indicates that there were two expenditures that did not appear to be allowable costs under the CDBG program requirements. Because the costs were borderline, it was determined to reimburse the grant fund account for those expenditures. That was immediately done and the auditor was advised. One expenditure was for an exhibition tent that supported an educational program for kids from the age of 8 to 17. Although this could be eligible, there was no prior test made to support the low to moderate income need of those that participated. An area wide criteria of need could be used, but no survey or related questionnaire at the time of the event of the participants was documented that could support the criteria. The second expenditure was an error in account distribution and there was no question to reimburse the fund. |
| | For all future expenditures that may be outside the normal activity of the program, additional documentation will be determined to support any question that may be posed by the auditor during the single audit requirements. |
| | The contact person is Mary Hansen. Her telephone number is (530) 741-6248. |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|--|---|
| Finding 08-SA-2 | <i>Federal Grantor: U.S. Department of Health and Human Services</i> |
| Temporary Assistance for Needy Families (TANF) | <i>Pass-Through Entity: State Department of Social Services</i> |
| CFDA 93.558 | <i>Compliance Requirement: Eligibility</i> |
| | <i>Reporting Requirement: Material Weakness: Material Non-Compliance in Relation to a Compliance Supplement Audit Objective</i> |

Award No.
Year: 2007-2008

We tested eligibility in twenty-four TANF cases and noted the following exceptions.

Criteria and Condition

Birth Certificate or Alternate proof of age and citizenship: The California Department of Social Services Manual of Policies and Procedures requires that an individual applying for TANF provide a birth certificate or other enumerated, alternate documents to show birth, age, and citizenship. In two cases, the file did not contain a birth certificate or other enumerated, alternate documents to show birth, age, and citizenship for one assisted member of the family. In one case, the file did not contain a birth certificate or other enumerated, alternate document to show age and citizenship for any assisted member of the family.

Quarterly Income Report (QR7). As required by federal law, each individual applying for federal assistance is required to complete and return to the County a quarterly report commonly known as the QR7. This document is used to report all income for the quarter by all assisted individuals in the benefit unit. This information is used when making eligibility determinations and determining the amount of assistance. In one case, the applicable QR7, which supported the assistance payment made, could not be located.

Questioned Costs

No costs are questioned. Later acquired information showed that the program participants were in fact entitled to benefits.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| Program | Findings/Noncompliance |
|--|---|
| Finding 08-SA-2 CFDA 93.558 (continued) | <p><u>Perspective</u></p> <p>We noted that birth certificates were missing for five individuals. We assumed an average number of individuals per case of 3.5. Under this assumption, we tested 84 individuals. The error rate for the sample was, therefore, $5 / 84 = 6\%$. We compute the error rate for missing QR7s to be $1 / 24 = 4.2\%$.</p> <p><u>Effect of Condition</u></p> <p>The effect of the exceptions enumerated above is that clients might receive benefits to which they are not entitled.</p> <p><u>Recommendation</u></p> <p>We recommend that the Department review the facts regarding these exceptions and determine what procedures might be implemented to prevent recurrence of these errors. If further internal controls are warranted, we recommend that the Department establish and enforce such improved internal control system.</p> <p><u>Corrective Action Plan</u></p> <p><i>Birth Certificate or Alternate Proof of Age and Citizenship:</i> The Eligibility/Employment Services Divisions Policy and Procedure titled "Age/Citizenship/Alien Status" clearly defines the process in obtaining birth certificates or other enumerated, alternate documents to show birth, age and citizenship for the TANF program.</p> <p>The policy and procedure will be reviewed by supervisors at unit meetings and will be discussed one-on-one with the individual workers.</p> <p><i>Quarterly Income Report (QR7):</i> The Eligibility/Employment Services Divisions QR/PB Handbook clearly defines the procedure for processing QR7s. The section in the QR/PB handbook on QR7 processing will be reviewed by supervisors at unit meetings and will be discussed one-on-one with the individual worker.</p> <p>These procedures will be implemented March 31, 2009. The contact person is Carol Newsom. Her telephone number is (530) 749-6480.</p> |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| Program | Findings/Noncompliance |
|------------------------|---|
| Finding 08-SA-3 | <i>Federal Grantor: U.S. Department of Health and Human Services</i> |
| Medical | <i>Pass-Through Entity: State Department of Health Services</i> |
| Assistance | <i>Compliance Requirement: Eligibility</i> |
| Program | <i>Reporting Requirement: Material Weakness: Material</i> |
| CFDA 93.778 | <i>Noncompliance In Relation to a Major Program (07-SA-2 and 08-SA-3 considered together)</i> |
| Award No. n/a | |
| Year: 07/08 | |

Criteria

Every 12 months the County must redetermine the eligibility of Medi-Cal recipients with respect to circumstances that may change (e.g., income eligibility). The County must have procedures designed to ensure that recipients make timely and accurate reports of any changes in circumstances that may affect their eligibility. The County must promptly reassess eligibility when it receives information about changes in a recipient's circumstances that may affect his or her eligibility (42 CFR 435.916).

Condition

Of twenty-four cases tested, the required yearly redetermination had not been performed in three cases.

Questioned Costs

No costs are questioned. The State of California pays the medical benefit payments for this program. The County has no access to client medical information. Therefore costs could not be questioned.

Perspective

The error rate for redeterminations was $3 / 24 = 12.5\%$.

Effect of the Condition

Individuals who are no longer eligible for Medi-Cal Assistance might continue receiving this assistance if redeterminations are not conducted in a timely manner.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|------------------------|--|
| Finding 08-SA-3 | <u>Recommendation</u> |
| CFDA 93.778 | <p>We recommend that a review process be implemented to ensure that the required annual redeterminations for the Medi-Cal Assistance Program are conducted. If necessary, we recommend that the County assign more personnel resources to performing redeterminations.</p> |
| | <u>Corrective Action Plan</u> |
| | <p>The Eligibility Division's Policy and Procedure titled "Redeterminations/Recertifications" clearly defines the procedure for processing yearly Medi-Cal renewals. The policy and procedure will be reviewed by supervisors at unit meetings and will be discussed one-on-one with the individual workers.</p> |
| | <p>These procedures will be implemented March 31, 2009. The contact person is Carol Newsom. Her telephone number is (530) 749-6480.</p> |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding/Program</u> | <u>Findings/Noncompliance</u> |
|----------------------------|--|
| Finding 08-SA-4 | <i>Federal Grantor: U.S. Department of Housing and Urban Development</i> |
| Community Development | <i>Pass-Through Entity: State Department of Housing and Community Development</i> |
| Block Grant/States Program | <i>Compliance Requirement: Reporting: Earmarking</i> |
| CFDA 14.228 | <i>Reporting Requirement: Significant Deficiency</i> |
| Award Nos. | <u>Criteria</u> |
| 04-PTAA-030 | On a semi-annual basis, CDBG grantees are required to file a CDBG Financial & Accomplishment Report (FAR). The FARs report several items of information, including reporting total expenditures on the accrual basis of accounting. |
| Year: 2007-2008 | <u>Condition</u> |
| | During field work, we requested a reconciliation of the County's general ledger activity to CDBG Financial & Accomplishment Report (FAR). The reconciliation had not been performed. We attempted to perform the reconciliation but were unable to agree the general ledger to the tested FAR. It appeared the difference was accruals. We did not consider the difference material. |
| | <u>Questioned Costs</u> |
| | No costs are questioned because likely questioned costs are less than \$10,000. |
| | <u>Perspective</u> |
| | We do not believe any further information would assist in gaining a proper perspective. |
| | <u>Effect of Condition</u> |
| | Not reconciling general ledger activity, including accruals, to expenditures reported to the Department of Housing and Community Development can result in inaccurate reporting and, conversely, can result in lost opportunity to claim allowable costs. |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding/Program</u> | <u>Findings/Noncompliance</u> |
|---------------------------------------|--|
| Finding 08-SA-4 (continued) | <u>Recommendation</u> |
| CFDA 14.228 | We recommend that the County require that general ledger activity be reconciled to the FARs and that the reconciliation be documented so that the numbers on the FARs can easily be traced to the accounting records. Such policy would identify errors and needed corrections before the claims are submitted to the Department of Housing and Community Development. |
| | <u>Corrective Action Plan</u> |
| | The general ledger activity will be reconciled to the FARs and the reconciliation will be documented so that the amounts on the FARs will be easily traced to the accounting records. The contact person is Debbie Phillips. Her telephone number is (530) 749-5460. |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|------------------------|--|
| Finding 07-FS-1 | <i>Reporting Requirement: Material Weakness</i> |
| Trust Funds | <u>Criteria</u> <p>Under Governmental Accounting Standards Board (GASB) Statement No. 34, amounts formally held in trust but used to support the County's own programs should be reported as funds within the County's reporting entity so as to ensure all economic resources that can be used by the County are reported in the government-wide financial statements. Use of the agency fund type is limited to resources the County holds purely in a custodial capacity for individuals or other organizations, such as school districts and special districts not governed by the County Board of Supervisors.</p> <u>Condition</u> <p>During the audit, we noted 52 funds holding cash and investments totaling approximately \$24 million which were incorrectly classified as agency funds. These funds hold resources used to support the County's functions and activities.</p> <p>Agency funds also have few mechanisms for reporting total inflows and outflows correctly. As a result, the County is not able to generate meaningful reports which would allow for easy integration into the County's financial report. It was too labor intensive to determine exactly how the revenues and expenditures in these funds should have been reported. As a result, all activity was reported as deferred revenues.</p> <p>We also noted that payments were made out of these funds and reported as negative revenue when transfers were made into County operating funds where the funds were reported as revenues.</p> <u>Cause</u> <p>In response to the Trust Fund deficiencies reported in the County's Single Audit report for the year ended June 30, 2007, the County states that, "Fund accounting, based on budget controlled annual expenditures and revenue projections for any current year of operations, necessitates our usage of Agency types for internal control purposes."</p> |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|---------------------------------------|--|
| Finding 07-FS-1 (continued) | <u>Effect</u> |
| Trust Funds | <p>Activity in these funds is required to be included in the County's reporting entity, either as additional funds or transactions in existing County funds. By not including these funds, assets, liabilities, revenues and expenses are materially misstated. There is the potential for double reporting of revenues when resources are transferred into operating funds. Not using the accounting system to control the flow of revenues increases the potential for reporting revenues twice.</p> <p>By not using the accounting system to account for the activity of these trust funds, the County's general ledger does not translate the information for including it in the County's financial report. In addition, because the County does not budget for any activity occurring in agency funds, significant deviations from the adopted budget are not apparent until well after the end of the fiscal year and thus cannot be addressed when they occur.</p> |
| | <u>Recommendation</u> |
| | <p>We recommend the Auditor-Controller's Office create new funds in its accounting system to account for these trust funds either as County funds having the full functionality of reporting revenues and expenditures or by including the balances and activities in existing County funds. All governmental trust funds should be closed.</p> |
| | <u>Management Response</u> |
| | <p>Management's response is reported at page 37 of this report.</p> |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|----------------------------|--|
| Finding 07-FS-2 | <i>Reporting Requirement: Material Weakness</i> |
| Construction In Process | <p><u>Criteria</u></p> <p>All expenditures incurred to construct a capital asset should be included in construction in process in the year in which the expenditure is incurred. Upon completion of the project, the total cost to construct the capital asset should be moved from the construction in process account to the appropriate capital asset category such as buildings or infrastructure. In the governmental fund statements, construction expenditures are reported as capital outlay. In the government-wide statements, the current year construction expenditures are reported as additions to construction in process, a long-term asset account.</p> <p><u>Condition</u></p> <p>The County does not track construction in process costs as the work is being performed. The County does not have any procedures to address the accounting and accumulation of construction costs either for costs incurred in the current year or for costs incurred in projects that span more than one year. During our audit, we identified construction costs of \$3,350,867 which were not identified as construction in process costs at June 30, 2008 and \$1,126,289 in construction in process that was not transferred to the appropriate asset category upon completion.</p> <p><u>Cause</u></p> <p>The County does not have a standardized process to track costs on construction projects or track completion of existing construction in process.</p> <p><u>Effect</u></p> <p>By not having a standardized process to track costs on construction projects, the County materially understated its construction in process accounts. Building costs will be understated when the project is completed and capitalized for depreciation. Not tracking construction in process by project makes it more likely that capitalization of buildings and improvement costs will be incomplete. Over time, these misstatements could accumulate to significant proportions.</p> |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|--|--|
| Finding 07-FS-2 (continued) | <u>Recommendation</u> We recommend the Auditor-Controller's Office modify its year-end closing process to include a more thorough review of accounts used to account for construction costs. A separate schedule should be maintained showing each project, the accumulated project costs as of the beginning of the year, the additions, the reductions and the ending balances. Each year's activity should be reconciled to the construction capital outlay accounts on the County's general ledger. Projects that have been completed should be identified and reclassified to the appropriate asset category. |
| Construction In Process | <u>Management Response</u> Management's response is reported at page 37 of this report. |
| Finding 07-FS-3 | <i>Reporting Requirement: Material Weakness</i> |
| Infrastructure Accounting and Depreciation | <u>Criteria</u> As infrastructure is added to the County or its useful life is extended through improvements, the County should update fixed asset records by the actual expenditure of funds. Additionally, infrastructure that is donated to the County should be reported at its estimated fair value at the time of acquisition (for governments, this would be what the County would have had to spend to purchase the asset on its own). <u>Condition</u> The County uses a fixed asset module which is integrated with the general ledger. Most of the County's capital assets are included in the fixed asset module. This includes land, buildings, infrastructure (labeled as construction), vehicles, computers and other furniture and equipment. The software automates the time-consuming task of calculating depreciation for the County's assets. No additional data was provided to account for the actual expenditure of funds for improvements or additions to infrastructure. During the year, various developers contributed roads to the County for an estimated cost of \$6.4 million. These additions were not tracked or identified by the County nor was the associated depreciation to these assets included in depreciation. |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|--|---|
| Finding 07-FS-3 (continued) | <u>Condition</u> (continued) |
| Infrastructure Accounting and Depreciation | <p>It also appeared that donations from developers had not been tracked in infrastructure in previous years. We were able to ascertain that the estimated costs of donated roads during the 2006-2007 fiscal year amounted to \$6.1 million; however, due to time constraints and unavailable data, we were unable to determine the value of all unrecorded donations and whether these roads had previously been included in the reported balance of infrastructure.</p> |
| | <u>Cause</u> |
| | <p>For the current year, there is no process in place by the County to track additions or donations of infrastructure.</p> |
| | <u>Effect</u> |
| | <p>As a result of no process to track additions and donations to infrastructure, infrastructure was understated materially. Since the total understated value was undeterminable, a qualified opinion over infrastructure was issued.</p> |
| | <u>Recommendation</u> |
| | <p>We recommend the County include additions to roads and bridges (both purchased and donated) in the fixed asset module and use the computer application to automate the depreciation computation for those assets. We recommend inquiring with public works each year so as to obtain accurate information on major improvements which may need to be capitalized.</p> |
| | <u>Management Response</u> |
| | <p>Management's response is reported at page 37 of this report.</p> |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|--|---|
| Finding 07-FS-4 | <i>Reporting Requirement: Material Weakness</i> |
| Financial Reporting Competencies | <p><u>Criteria</u></p> <p>Recently, a new auditing standard, Statement on Auditing Standard No. 112, <i>Communicating Internal Control Related Matters Identified in a Audit</i> (SAS 112), was issued and applies to the County's current year fiscal audit. The standard provides guidance that external auditors cannot be part of the County's internal controls, including controls over the preparation of the financial statements, and are prohibited from auditing their own work, as doing so impairs their independence.</p> <p>The new standard establishes clearer guidance on the responsibilities of auditees within the context of a financial statement audit. As an auditee, the County is responsible for the preparation of full disclosure financial statements in accordance with generally accepted accounting principles (GAAP). It is the County's responsibility to translate their general ledger into a format which allows for the preparation of financial statements in accordance with generally accepted accounting standards. While an auditor may still compile information into the proper format, the County must have proper internal controls over financial reporting in place to ensure that the information provided to the auditor for the compilation will result in full disclosure, GAAP-compliant financial statements without auditor adjustment. Proper internal controls over financial reporting include, but are not limited to, internal controls that identify or prevent misstatements in the financial records and adequate design of internal control over the preparation of the financial statements that ensures financial information is complete and not misstated prior to being submitted for audit.</p> <p>When material audit adjustments are made, SAS 112 requires that they be considered a strong indicator that a material weakness exists, even if management subsequently corrects the underlying misstatements.</p> <p><u>Condition</u></p> <p>Currently, the County relies on the external auditors to ensure its financial statements are in accordance with GAAP and include all disclosures required by current reporting standards. In the course of our audit, we proposed several audit adjustments of material amounts to correct the County's accounting records and to ensure the financial statements were presented as required by standards. We considered these adjustments to be material and an indication that existing internal</p> |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|--|--|
| Finding 07-FS-4 (continued) | <u>Condition</u> (continued) |
| Financial Reporting Competencies | <p>controls over financial reporting are not effective at preventing or detecting misstatements for financial statement purposes.</p> <ol style="list-style-type: none">1. The Yuba County Water Agency is considered a blended component unit of the County because the County's Board of Supervisors makes up a majority of the governing board. The Agency has a net assets balance of \$155 million at June 30, 2008. These net assets along with the financial activity were omitted from the County's financial reporting entity in the prior year and should have been included.2. The County is not able to generate a report from its general ledger that summarizes program revenues by function (for example, general government, public protection, etc.) or department which is needed to compile the statement of activities as required by government accounting standards. The County relies on the external auditors to identify the proper reporting function for each program revenue source.3. Accounting standards require the financial statements include a liability representing the estimated amount of claims likely to exist against the County's self-insurance program. An actuarial study determined the amount to be \$1,127,000 at June 30, 2008. This liability was not recorded on the County's general ledger.4. The County holds cash and investments with an external fiscal agent for the purpose of meeting reserve provisions in its existing debt agreement and for facilitating the semi-annual principal and interest payments. The balance at June 30, 2008 was \$303,213. This amount was not recorded on the County's general ledger and was omitted from prior year financial statements. |
| | <u>Cause</u> The County does not appear to have the resources for a system of reporting that enables the preparation of financial statements. |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|--|--|
| Finding 07-FS-4 (continued) | <u>Effect</u> The risk of misstatement in the financial statements increases when management is not able to apply GAAP in recording the entity's financial transactions or preparing its financial statements, including the related notes. Also, by relying on the external auditors to ensure its financial statements are in accordance with GAAP, the County is considering the external auditors a part of its internal controls over the preparation of the financial statements, which is contrary to current audit standards. |
| Financial Reporting Competencies | <u>Recommendation</u> The County may consider the following possible actions: <ul style="list-style-type: none">• Provide training opportunities for its staff that would enable them to become more familiar with the requirements for financial statements prepared using GAAP.• Hire an external Certified Public Accountant to prepare or confirm that the accounting records, financial statements and related disclosures are in accordance with GAAP.• Take no action. The County may find that the costs outweigh the benefits to adhere to this standard. No action will result in a significant deficiency (or material weakness, depending on magnitude) in the County's internal controls over the preparation of the financial statements. |
| | <u>Management Response</u> The Treasurer's office concurs that the County needs to open an account within the County for the 1998 COP Refunding. The Treasurer's office has been tracking the cash and investments with the external fiscal agent, Bank of New York, and ensuring that the values and amounts are accurate while unfortunately off the County's books. This office has been balancing the statements and holdings on a monthly basis with the fiscal agent since its inception. In addition to this instance, this office believes there could be additional accounts that are not currently accounted for within the County's books while residing at external fiscal agents. |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|----------------------------------|--|
| Finding 08-FS-1 | <i>Reporting Requirement: Material Weakness</i> |
| Accounting for Capital Leases | <u>Criteria</u> When capital leases are entered into, a governmental fund should record the capital outlay expenditure and its offset to issuance of capital leases. For the purposes of converting to government-wide reporting, the County should also maintain a listing of all outstanding capital lease liabilities and amortization schedules. <u>Condition</u> During our audit, we identified a capital lease issued to acquire a building in the amount of \$37,885,213 that was not recorded on the general ledger as an issuance by the County. <u>Cause</u> The County does not have a process to identify and record the issuance of capital leases in its governmental funds. <u>Effect</u> By not having a standardized process to track and record capital leases, the County materially understated its expenditures and other sources of financing accounts. Additionally, we noted that the County did not record the capitalized cost of the building in its fixed asset module, which also resulted in unrecorded depreciation of \$1,262,840. <u>Recommendation</u> We recommend that the Auditor-Controller's Office record the appropriate entries upon issuance of a capital lease. A separate schedule should be tracked showing each capital lease outstanding, the additions, the principal payments, and the ending balances. Amortization schedules and future minimum lease payment schedules should also be maintained by the client. <u>Management Response</u> We concur with finding and will include in the fixed asset module in FY2008-09. Official move in date was August 21, 2007. |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|--|--|
| Finding 08-FS-2 | <i>Reporting Requirement: Significant Deficiency</i> |
| Escrow Accounts Outside the Treasury | <p><u>Criteria</u></p> <p>It is common practice to withhold a retention amount from construction contractor payments until the project that the contractor is required to complete is finalized. Many contractors require that the payer or County deposit the retention amount into an escrow account until completion of the project at which point the monies are released to the contractor. Until the money is transferred to the contractor, the payer or County generally has rights and title to the money, unless specified otherwise.</p> <p><u>Condition</u></p> <p>During the audit, we noted unrecorded cash held with fiscal agent that the County had rights to in the amount of \$332,301. Accordingly, liabilities (retention payable) were understated. Also, for government-wide purposes, construction in progress for the \$332,301 of services received by the County was not recognized.</p> <p><u>Cause</u></p> <p>The County does not have a process to identify and record escrow accounts that are set up to hold retention payments.</p> <p><u>Effect</u></p> <p>By not having a standardized process to identify and record cash and liabilities related to retention payables, the County understated its cash with fiscal agent and liability accounts. Additionally, construction in process was also understated on the government-wide statements.</p> <p><u>Recommendation</u></p> <p>We recommend the creation of standardized processes to communicate the existence of escrow accounts and year-end balances of these accounts between the relevant departments and the Auditor-Controller's Office. We also recommend a year-end process to determine retention payables and record those liabilities as well as identify the capital outlay that will be recorded as construction in process for the government-wide statements.</p> |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|--|---|
| Finding 08-FS-2 (continued) | <u>Management Response</u> |
| Escrow Accounts Outside the Treasury | The Treasurer's office was unaware that this escrow account existed. The office was incorrectly by-passed and opened illegal outside of the control of the County Treasurer. The Treasurer's office has since met with the parties in question to inform them of proper procedures and regulations, as well as taking this opportunity to inform additional departments of the requirements to open accounts with the Treasurer's authority consent only. |
| Finding 08-FS-3 | <i>Reporting Requirement: Material Weakness</i> |
| Capital Contributions | <u>Criteria</u> Donations of capital assets are not generally required to be reported as revenues within the governmental funds unless the donated assets were sold during the year. However, for the full-accrual statements, these donations should be reported as capital contributions. <u>Condition</u> Through testing of capital asset additions, we noted that a \$121,000 payment for a right-of-way actually related to a larger portion of a donated right-of-way from Cal-Trans in the amount of \$1,779,000. <u>Cause</u> The County does not have a process in place to identify and track donated capital assets. <u>Effect</u> As a result of not having a process to identify and track donated capital assets, the County materially understated its capital contributions. <u>Recommendation</u> We recommend that the County create a formalized process to require all departments to communicate the acceptance of a donated asset and fill out a capital asset form with the estimated fair value (or the cost that the County would have paid to purchase the asset at its acquisition). The County should also maintain a listing of these assets for purposes of |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|---------------------------------------|--|
| Finding 08-FS-3 (continued) | <u>Recommendation</u> (continued) |
| Capital Contributions | recognizing the capital contribution revenues for government-wide reporting. |
| | <u>Management Response</u> |
| | Disagree with this finding. A May 2008 deadline was set for donated capital assets, and these additions were post deadline activities. The timing and deadline setting are at the discretion of the Auditor-Controller. Any items noted after deadline will be picked up in the following year. A notation only should be made in the current set of statements. |
| Finding 08-FS-4 | <i>Reporting Requirement: Material Weakness</i> |
| Receivables | <u>Criteria</u> |
| | The County should establish and enforce policies and procedures to ensure that year-end accruals are properly identified, reviewed and recorded for all account balances, including revenues and receivables. |
| | <u>Condition</u> |
| | During the audit, we noted a few significant intergovernmental receivables that were not recorded at the end of the year, including \$225 thousand from Cal Trans for services performed during 2007-08 and \$427 thousand for Highway Users tax for the collection period through June 30, 2008. The amount of the audit adjustment was approximately \$806 thousand. |
| | <u>Cause</u> |
| | The County collected the State reimbursements after its year-end cutoff date for reviewing receipts. Departments did not notify the auditor-controller's office about the additional revenue accruals. |
| | <u>Effect</u> |
| | By relying solely on the review of transactions recorded in the general ledger through early August to record the year-end receivable balances, the County may omit receivables for receipts collected after its year-end closing cut-off date. |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

| <u>Finding Number</u> | <u>Findings/Noncompliance</u> |
|------------------------|--|
| Finding 08-FS-4 | <u>Recommendation</u> |
| Receivables | We recommend that the Auditor-Controller's Office modify its year-end closing process to involve greater participation from all of the departments to ensure year-end account balances are accurate and complete. |
| | <u>Management Response</u> |
| | Disagree with this finding. Again, the deadlines and dates for cutoff of financial data input is at the discretion of the Auditor-Controller. The receivable revenues/receipts were post the cutoff established by the Auditor-Controller. |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

Management Response to Findings 07-FS-1 through 07-FS-3

In response to the Findings 07-FS-1 through 07-FS-3, as described in the Schedule of Findings and Questioned Costs, management of the County of Yuba provides the following:

Yuba County is a small county with a population of less than 100,000. The County records all transactions on the cash base accounting method and only converts to the accrual base accounting method after the fiscal year ends, specifically in Period 13. Until such time that the State of California adopts the accrual base accounting method for all government entities, we will continue operating under the SCO's Accounting Standards and Procedures for Counties Manual.

In addition, fund accounting, based on budget controlled annual expenditures and revenue projections for any current fiscal year of operations, necessitates our usage of Agency type funds for internal control purposes. To change or ignore the benefit of said methodology would undermine accountability, control, sustainability and report accuracy of a system long established.

In summary, while the accounting community has suffered immense creditability reporting problems, post ENRON, the government arena has steadily become more transparent and responsible at the local/municipal levels. This has become necessary as the State and Federal levels become more diligent in their management and review of the use of taxpayer dollars.

Sarbanes-Oxley, GASB-34, Fixed Asset Reporting of Infrastructure and SAS-112 are a good start to get credibility back into the "Outside Auditors Reporting Arena". However, local government did not create/cause the majority of problems within the current financial community. We do suffer the consequences, however, but cannot afford to follow/staff the resources for a system of reporting used for Period 13 Modified Accrual that enables the preparation of financial statements mandated by the State to those produced by outside auditors. Smaller government entities, rightfully, use the outside auditor reporting process to augment internal controls not instead of internal controls.

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|------------------------|---|
| Finding 07-SA-1 | <i>Federal Grantor: U.S. Department of Health and Human Services</i> |
| Temporary | <i>Pass-Through Entity: State Department of Social Services</i> |
| Assistance for | <i>Compliance Requirement: Eligibility</i> |
| Needy Families | <i>Reporting Requirement: Material Weakness; Material</i> |
| CFDA 93.558 | <i>Non-Compliance in Relation to Major Program</i> |
| Award No. | |
| Year: 2006-2007 | We tested eligibility in twenty-four TANF cases and noted the following exceptions: |
| | <u>Condition</u> |
| | <i>IEVS:</i> |
| | We noted two case files, which did not contain an IEVS for at least one assisted member of a family. A total of four individuals in these two families did not have an IEVS. As well, in three cases, the IEVS was outdated by between three and seven months and in another three cases, the eligibility worker did not sign the IEVS indicating her review and use of the IEVS in eligibility determination. |
| | <i>60-month Time-on-Aid Limit:</i> |
| | Unless an exemption applies, any family that includes an adult, minor child head of household or a spouse of the head of household who has received assistance under any State program funded by federal TANF funds for sixty months (whether or not consecutive) is ineligible for additional federally-funded TANF assistance. As a control over this requirement, the County maintains "60-month clocks" to track the number of months a client has been on TANF. In testing this eligibility requirement, we noted that two case files did not contain an up-to-date sixty-month clock. |
| | <i>Birth Certificate or Alternate proof of age and citizenship:</i> |
| | In one case, the file did not contain a birth certificate or other enumerated, alternate documents to show birth, age, and citizenship for one member of the family receiving TANF benefits. |

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|---|--|
| Finding 07-SA-1 CFDA 93.558 (continued) | <p><u>Recommendation</u></p> <p>We recommend that the Department review the facts regarding these exceptions and determine whether (1) they are isolated instances of noncompliance; or (2) procedures might be implemented to prevent recurrence of such errors. If further internal controls can be implemented, we recommend that they be implemented.</p> <p><u>Status</u></p> <p><i>IEVS:</i> Not corrected. In current year testing, we noted that IEVS were missing for five individuals in the 24 case files tested. We assume an average number of individuals per case of 3.5. Under this assumption, the error rate is $5 / 84 = 6\%$. As well, there were errors in the internal control procedures of signing the IEVS upon using it in determining eligibility.</p> <p><i>60-Month Time on Aid Limit:</i> Corrected</p> <p><i>Birth Certificate or Alternate Proof of Age and Citizenship:</i> Not corrected. In current year testing, we noted that birth certificates were missing for five individuals in the 24 case files tested. We assume an average number of individuals per case of 3.5. Under this assumption, the error rate is $5 / 84 = 6\%$.</p> <p>Contact person: Carol Newsom Telephone Number: (530) 749-6380</p> |

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|----------------------------|---|
| Finding 07-SA-2 | <i>Federal Grantor: U.S. Department of Health and Human Services</i> |
| Medical Assistance Program | <i>Pass-Through Entity: State Department of Health Services</i> |
| CFDA 93.778 | <i>Compliance Requirement: Eligibility</i> |
| Award No. n/a | <i>Reporting Requirement: Material</i> |
| Year: 06/07 | <i>Weakness: Material Non-Compliance in Relation to a Compliance Supplement Audit Objectives</i> |
| | <p>We tested eligibility in twenty-four Medi-Cal cases and noted the following exceptions:</p> |
| | <p><u>Condition</u></p> |
| | <p><i>IEVS:</i></p> |
| | <p>We noted that one case file did not contain an IEVS for one assisted member of the family. We also noted that in three cases the eligibility worker did not sign the IEVS indicating her review and use of the IEVS in eligibility determination.</p> |
| | <p><i>Documentation of Income:</i></p> |
| | <p>In determining eligibility for the Medical Assistance Program, the County is required to have facts in the case record to support its eligibility determination and a written application, signed under penalty of perjury. The County must use these documents in determining eligibility and share of cost. In three cases, we noted that the income information documented in the file did not match the income input into ISAWS.</p> |
| | <p><i>Assistance to Non-Citizens:</i></p> |
| | <p>We noted one case where a noncitizen received federal Medi-Cal benefits but had not been legally in the United States for the required five years.</p> |

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|--|--|
| Finding 07-SA-2 CFDA 93.778 (continued) | <p><u>Recommendation</u></p> <p>We recommend that the Department review the facts regarding these exceptions and determine whether (1) they are isolated instances of noncompliance; or (2) procedures might be implemented to prevent recurrence of these errors. If further internal controls can be implemented, we recommend that they be implemented.</p> <p><u>Status</u></p> <p><i>IEVS:</i> Not corrected. In current year testing, we noted that IEVS were missing for eight individuals in the 24 case files tested. We assume an average number of individuals per case of 3.5. Under this assumption, the error rate is $8 / 84 = 9.5\%$. As well, in current year testing, we noted one IEVS was not signed by the eligibility worker which is an internal control to show that the eligibility worker used the IEVS in eligibility determination. The error rate for unsigned IEVS is 4.2%.</p> <p><i>Documentation of Income:</i> Not corrected. In current year testing we noted six exceptions out of 24 case files tested. The error rate was therefore 25%.</p> <p><i>Assistance to Non-citizens:</i> Not corrected. In current year testing we noted one exception out of 24 cases tested. The error rate is therefore 4.2%.</p> <p>Contact person: Carol Newsom Telephone Number: (530) 749-6380</p> |

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|------------------------|--|
| Finding 07-SA-3 | <i>Federal Grantor: U.S. Department of Health and Human Services</i> |
| Adoption | <i>Pass-Through Entity: State Department of Social Services</i> |
| Assistance | <i>Compliance Requirement: Eligibility</i> |
| Program | <i>Reporting Requirement: Significant Deficiency</i> |
| CFDA 93.659 | |
| Award No. n/a | <u>Condition</u> |
| Year: 06/07 | <p>We tested twenty-four adoptions cases and located two AAP-4 forms which were not signed by the County Welfare Department. We were able to prove the eligibility criteria noted above by other information in the file.</p> <p><u>Recommendation</u></p> <p>We recommend that adoptions cases be monitored to ensure that all eligibility criteria are correctly documented on the AAP-4 and that both a representative of the Adoptions Agency and the County Welfare Department sign the form.</p> <p><u>Status</u></p> <p>Corrected.</p> <p>Contact person: Carol Newsom Telephone Number: (530) 749-6380</p> |

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|---|---|
| Finding 07-SA-4 Community Development Block Grant CFDA 14.228 Award Nos. 04-STBG-1946 04-STBG-1947 Year: 2006/2007 | <i>Federal Grantor: U.S. Housing and Urban Development</i> <i>Pass-Through Entity: State Department of Housing and Community Development</i> <i>Compliance Requirement: Cash Management</i> <i>Reporting Requirement: Material Weakness: Material Non-Compliance in Relation to a Compliance Requirement</i> <u>Condition</u> During our cash management testing, we noted that at yearend a cash-on-hand balance existed for contract 04-STBG-1947 of \$28,994 and a cash-on-hand balance existed for contract 04-STBG-1946 of \$15,608. The total of \$44,602 exceeds the \$5,000 allowable threshold for cash on hand contained in California Department of Housing and Community Development's CDBG Grant Management Manual by \$39,602. <u>Recommendation</u> We recommend that the Department develop internal controls to monitor the excess of funds drawn down from the Department of Housing and Community Development over program expenditures. We further recommend that when cash on hand exceeds \$5,000 and the excess will not be expended within a very short period of time, that funds in excess of \$5,000, plus interest, be returned to HCD. <u>Status</u> Corrected. However, we noted immaterial delay in spending HUD funds within 15 days. This exception occurred because of the state's late transfer of the funds to the County. |

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

| <u>Program</u> | <u>Findings/Noncompliance</u> |
|---|--|
| Finding 07-SA-5 Community Development Block Grant CFDA 14.228 Award Nos. 04-STBG-1946 04-STBG-1947 04-PTAA-0342 Year: 2006/2007 | <i>Federal Grantor: U.S. Housing and Urban Development</i> <i>Pass-Through Entity: State Department of Housing and Community Development</i> <i>Compliance Requirement: Allowable Costs/Activities</i> <i>Reporting Requirement: Material Weakness: Material Non-Compliance in Relation to a Compliance Requirement</i> <u>Condition</u> We selected a sample of payroll charges to the grant and attempted to match the hours charged to personnel activity reports. We were unable to perform this test. We then inquired about the method of documenting costs for payroll and learned that a budget method is used to allocate salaries but that budgeted estimates are not adjusted to personnel activity reports on a quarterly basis. <u>Recommendation</u> We recommend that the requirements of OMB A-87 regarding charges for payroll (described above) be reviewed and followed. A budgeted method can be used for initially recording employee time; however, the charges must be adjusted to the personnel activity report hours on at least a quarterly basis. <u>Status</u> Corrected. Contact: Debra J. Phillips, Housing and Community Services Manager Contact Telephone Number: 530-749-5460 |

**SUPPLEMENTARY STATEMENTS
OF GRANT REVENUES AND EXPENDITURES**

COUNTY OF YUBA

Supplementary Statements of Grant Expenditures Office of Emergency Services and Department of Corrections and Rehabilitation Programs For the Year Ended June 30, 2008

Office of Emergency Services Programs

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2008. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

| Program | Costs Claimed and Accepted | | | Share of Expenditures Current Year | | |
|--|--|--|--------------------------------------|---------------------------------------|------------------|------------------|
| | For the Period Through June 30, 2007 | For the Year Ended June 30, 2008 | Cumulative As of June 30, 2008 | Federal Share | State Share | County Share |
| <u>AT06030580 - Child Abuse Treatment and Advocacy</u> | | | | | | |
| Personal services | \$ 113,900 | \$ 42,083 | \$ 155,983 | \$ 33,956 | \$ -- | \$ 8,127 |
| Operating expenses | 1,250 | 4,625 | 5,875 | 3,700 | -- | 925 |
| Equipment | -- | -- | -- | -- | -- | -- |
| Totals | <u>\$ 115,150</u> | <u>\$ 46,708</u> | <u>\$ 161,858</u> | <u>\$ 37,656</u> | <u>\$ --</u> | <u>\$ 9,052</u> |
| <u>AT07040580 - Child Abuse Treatment and Advocacy</u> | | | | | | |
| Personal services | \$ -- | \$ 113,943 | \$ 113,943 | \$ 89,919 | \$ -- | \$ 24,024 |
| Operating expenses | -- | -- | -- | -- | -- | -- |
| Equipment | -- | -- | -- | -- | -- | -- |
| Totals | <u>\$ --</u> | <u>\$ 113,943</u> | <u>\$ 113,943</u> | <u>\$ 89,919</u> | <u>\$ --</u> | <u>\$ 24,024</u> |
| <u>VW07210580 - Victim/Witness Assistance Center</u> | | | | | | |
| Personal services | \$ -- | \$ 110,593 | \$ 110,593 | \$ 52,203 | \$ 58,390 | -- |
| Operating expenses | -- | 18,593 | 18,593 | -- | 18,593 | -- |
| Equipment | -- | -- | -- | -- | -- | -- |
| Totals | <u>\$ --</u> | <u>\$ 129,186</u> | <u>\$ 129,186</u> | <u>\$ 52,203</u> | <u>\$ 76,983</u> | <u>\$ --</u> |
| <u>SE07170580 - Special Emphasis Victims Project</u> | | | | | | |
| Personal services | \$ -- | \$ 135,981 | \$ 135,981 | \$ 108,565 | \$ -- | \$ 27,416 |
| Operating expenses | -- | 1,100 | 1,100 | 1,100 | -- | -- |
| Equipment | -- | -- | -- | -- | -- | -- |
| Totals | <u>\$ --</u> | <u>\$ 137,081</u> | <u>\$ 137,081</u> | <u>\$ 109,665</u> | <u>\$ --</u> | <u>\$ 27,416</u> |
| <u>EA06090580 - Elder Abuse Advocacy Program</u> | | | | | | |
| Personal services | \$ 55,103 | \$ 36,562 | \$ 91,665 | \$ 28,231 | \$ -- | \$ 8,331 |
| Operating expenses | 737 | 326 | 1,063 | 326 | -- | -- |
| Equipment | -- | -- | -- | -- | -- | -- |
| Totals | <u>\$ 55,840</u> | <u>\$ 36,888</u> | <u>\$ 92,728</u> | <u>\$ 28,557</u> | <u>\$ --</u> | <u>\$ 8,331</u> |

COUNTY OF YUBA

Supplementary Statements of Grant Expenditures Office of Emergency Services and Department of Corrections and Rehabilitation Programs For the Year Ended June 30, 2008

Office of Emergency Services Programs (continued)

| Program | Costs Claimed and Accepted | | | Share of Expenditures Current Year | | |
|---|--|--|--------------------------------------|---------------------------------------|----------------|-----------------|
| | For the Period Through June 30, 2006 | For the Year Ended June 30, 2008 | Cumulative As of June 30, 2008 | Federal Share | State Share | County Share |
| <u>DC07200580 - Drug Impact Program</u> | | | | | | |
| Personal services | \$ -- | \$ 45,177 | \$ 45,177 | \$ 45,177 | \$ -- | \$ -- |
| Operating expenses | -- | 90,381 | 90,381 | 90,381 | -- | -- |
| Equipment | -- | -- | -- | -- | -- | -- |
| Totals | <u>\$ --</u> | <u>\$ 135,558</u> | <u>\$ 135,558</u> | <u>\$ 135,558</u> | <u>\$ --</u> | <u>\$ --</u> |
| <u>DC06190580 - Drug Impact Program</u> | | | | | | |
| Personal services | \$ -- | \$ 8,480 | \$ 8,480 | \$ 8,480 | \$ -- | \$ -- |
| Operating expenses | -- | -- | -- | -- | -- | -- |
| Equipment | -- | -- | -- | -- | -- | -- |
| Totals | <u>\$ --</u> | <u>\$ 8,480</u> | <u>\$ 8,480</u> | <u>\$ 8,480</u> | <u>\$ --</u> | <u>\$ --</u> |

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures CSD Contract No. 08F-4948 -- Sutter County CAA For The Period January 1, 2008 through December 31, 2008

| | January 1, 2008 through June 30, 2008 | July 1, 2008 through December 31, 2008 | Totals |
|-------------------------------|---|--|-------------------|
| <u>Revenue</u> | | | |
| Grant revenue | \$ 112,072 | \$ -- | \$ 112,072 |
| Interest income | 229 | -- | 229 |
| Total Revenue | <u>\$ 112,301</u> | <u>\$ --</u> | <u>\$ 112,301</u> |
| <u>Expenditures</u> | | | |
| Administrative Costs: | | | |
| Salaries and wages | \$ 6,240 | \$ -- | \$ 6,240 |
| Fringe benefits | 2,132 | -- | 2,132 |
| Travel | -- | -- | -- |
| Space | -- | -- | -- |
| Consumable supplies | -- | -- | -- |
| Equipment Lease/purchase | -- | -- | -- |
| Consultant services | -- | -- | -- |
| Other costs | 3,780 | -- | 3,780 |
| Subtotal Administrative Costs | <u>12,152</u> | <u>--</u> | <u>12,152</u> |
| Program Costs: | | | |
| Salaries and wages | -- | -- | -- |
| Fringe benefits | -- | -- | -- |
| Travel | -- | -- | -- |
| Consumable supplies | -- | -- | -- |
| Equipment Lease/purchase | -- | -- | -- |
| Consultant services | 70,263 | -- | 70,263 |
| Other costs | -- | -- | -- |
| Subtotal Program Costs | <u>70,263</u> | <u>--</u> | <u>70,263</u> |
| Total Expenditures | <u>\$ 82,415</u> | <u>\$ --</u> | <u>\$ 82,415</u> |

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures CSD Contract No. 06F-4750 (Sutter County CSBG - \$173,556) For The Period January 1, 2007 through December 31, 2007

| | January 1, 2007 through June 30, 2007 | July 1, 2007 through December 31, 2007 | January 1, 2008 through June 30, 2008 | Totals |
|--------------------------------|---|--|---|-------------------|
| <u>Revenue</u> | | | | |
| Grant revenue | \$ 60,493 | \$ 44,945 | \$ 68,118 | \$ 173,556 |
| Interest revenue | 550 | 711 | -- | 1,261 |
| Total Revenue | <u>\$ 61,043</u> | <u>\$ 45,656</u> | <u>\$ 68,118</u> | <u>\$ 174,817</u> |
| <u>Expenditures</u> | | | | |
| Administrative Costs: | | | | |
| Salaries and wages | \$ 4,564 | \$ 4,693 | \$ -- | \$ 9,257 |
| Fringe benefits | 1,938 | 1,823 | -- | 3,761 |
| Operating Expenses & Equipment | 194 | -- | -- | 194 |
| Out of State Services | -- | -- | -- | -- |
| Subcontractor Services | -- | -- | -- | -- |
| Other costs | 1,130 | 6,685 | -- | 7,815 |
| Subtotal Administrative Costs | <u>7,826</u> | <u>13,201</u> | <u>--</u> | <u>21,027</u> |
| Program Costs: | | | | |
| Salaries and wages | -- | -- | -- | -- |
| Fringe benefits | -- | -- | -- | -- |
| Operating Expenses & Equipment | -- | -- | -- | -- |
| Out of State Services | -- | -- | -- | -- |
| Subcontractor Services | 48,669 | 105,121 | -- | 153,790 |
| Other costs | -- | -- | -- | -- |
| Subtotal Program Costs | <u>48,669</u> | <u>105,121</u> | <u>--</u> | <u>153,790</u> |
| Total Expenditures | <u>\$ 56,495</u> | <u>\$ 118,322</u> | <u>\$ --</u> | <u>\$ 174,817</u> |

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures CSD Contract No. 06F-4755 (Yuba County CSBG - \$173,556) For The Period January 1, 2007 through December 31, 2007

| | January 1, 2007 through June 30, 2007 | July 1, 2007 through December 31, 2007 | January 1, 2008 through December 31, 2008 | Totals |
|--------------------------------|---|--|---|-------------------|
| <u>Revenue</u> | | | | |
| Grant revenue | \$ 78,327 | \$ 52,623 | \$ 42,606 | \$ 173,556 |
| Interest revenue | 793 | 1,061 | -- | 1,854 |
| Total Revenue | <u>\$ 79,120</u> | <u>\$ 53,684</u> | <u>\$ 42,606</u> | <u>\$ 175,410</u> |
| <u>Expenditures</u> | | | | |
| Administrative Costs: | | | | |
| Salaries and wages | \$ 18,294 | \$ 18,494 | \$ -- | \$ 36,788 |
| Fringe benefits | 5,424 | 5,248 | -- | 10,672 |
| Operating Expenses & Equipment | -- | -- | -- | -- |
| Out of State Services | -- | -- | -- | -- |
| Subcontractor Services | -- | -- | -- | -- |
| Other costs | 3,374 | 3,426 | -- | 6,800 |
| Subtotal Administrative Costs | <u>27,092</u> | <u>27,168</u> | <u>--</u> | <u>54,260</u> |
| Program Costs: | | | | |
| Salaries and wages | -- | -- | -- | -- |
| Fringe benefits | -- | -- | -- | -- |
| Operating Expenses & Equipment | -- | -- | -- | -- |
| Out of State Services | -- | -- | -- | -- |
| Subcontractor Services | 43,207 | 66,673 | 11,270 | 121,150 |
| Other costs | -- | -- | -- | -- |
| Subtotal Program Costs | <u>43,207</u> | <u>66,673</u> | <u>11,270</u> | <u>121,150</u> |
| Total Expenditures | <u>\$ 70,299</u> | <u>\$ 93,841</u> | <u>\$ 11,270</u> | <u>\$ 175,410</u> |

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures CSD Contract No. 08F-4953 -- Yuba County CSBG For The Period January 1, 2008 through December 31, 2008

| | January 1, 2008 through June 30, 2008 | July 1, 2008 through December 31, 2008 | Totals |
|-------------------------------|---|--|-------------------|
| <u>Revenue</u> | | | |
| Grant revenue | \$ 110,208 | \$ -- | \$ 110,208 |
| Interest income | 522 | -- | -- |
| Total Revenue | <u>\$ 110,730</u> | <u>\$ --</u> | <u>\$ 110,208</u> |
| <u>Expenditures</u> | | | |
| Administrative Costs: | | | |
| Salaries and wages | \$ 11,862 | \$ -- | \$ 11,862 |
| Fringe benefits | 3,757 | -- | 3,757 |
| Travel | -- | -- | -- |
| Space | -- | -- | -- |
| Consumable supplies | -- | -- | -- |
| Equipment Lease/purchase | -- | -- | -- |
| Consultant services | -- | -- | -- |
| Other costs | 4,989 | -- | 4,989 |
| Subtotal Administrative Costs | <u>20,608</u> | <u>--</u> | <u>20,608</u> |
| Program Costs: | | | |
| Salaries and wages | -- | -- | -- |
| Fringe benefits | -- | -- | -- |
| Travel | -- | -- | -- |
| Consumable supplies | -- | -- | -- |
| Equipment Lease/purchase | -- | -- | -- |
| Consultant services | 53,461 | -- | 53,461 |
| Other costs | -- | -- | -- |
| Subtotal Program Costs | <u>53,461</u> | <u>--</u> | <u>53,461</u> |
| Total Expenditures | <u>\$ 74,069</u> | <u>\$ --</u> | <u>\$ 74,069</u> |